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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced a guilty plea entered today by Kim D. Beck, age 41, of Richmond, Virginia, to two counts of Health Care Fraud, one count of defrauding the Social Security Administration, and one count of defrauding the Veterans Administration. Each Count of conviction carries a maximum penalty of ten years' imprisonment and a \$250,000 fine. Ms. Beck is scheduled for sentencing before the Honorable Henry E. Hudson on March 24, 2006.

The Health Care Fraud charges arose out of her employment, from July 2002 until October 2004, at Youth and Family Advocates (YFA), a provider of health care services to Medicaid recipients located in Richmond, Virginia. Beck was initially an office manager at YFA, and later became its Executive Director. During that time, Beck has acknowledged, she assisted others at YFA to defraud the Medicaid program of over \$1.3 million.

Beck has admitted that in 2003, as part of the scheme to defraud she received a Bachelor of Science Degree in Human Services from Trinity Southern University, an on-line diploma mill, without any training or attending any classes. The reason for the fraudulent degree was to falsely establish her credentials in the health care industry. Beck has further admitted that she and others at YFA falsely billed Medicaid for Intensive In-Home Services ("IIHS") through a pattern of fraudulent conduct. With Beck's assistance, YFA billed for uncovered services that were falsely made to appear as covered services; billed for unqualified recipients; billed for IIHS by the same staff during the same time, but at different locations and to different recipients; billed for duplicate staff time and hours; and billed for services provided by employees who were not qualified to deliver the services claimed. In addition, Beck has acknowledged that she and others at YFA falsified and caused others at the company to falsify patient progress notes to reconcile the quantity of services billed with the quantity of services provided. She and others also destroyed original progress notes after modified copies had been made.

In addition, Beck acknowledged that she wrongly received \$42,423 in social security payments, under the Mother's Insurance Benefits program. At one point, Beck was lawfully receiving these payments; however, the payments should have stopped upon her marriage in January 1995. Beck

did not report this marriage to the Social Security Administration, and continued to receive payments to which she was not entitled.

Beck was also receiving Department of Veteran's Affairs Dependency and Indemnity Compensation payments, which, likewise, should have stopped upon her January 1995 marriage. She failed to report her marriage to the VA as well, consequently receiving \$100,887 in payments to which she was not entitled.

This matter was investigated by the Federal Bureau of Investigation, the Social Security Administration, Office of the Inspector General, the Veterans Administration, and the Virginia Attorney General's office, Medicaid Fraud Unit. This case is being prosecuted by Assistant United States Attorney Brian Whisler and Special Assistant United States Attorney Steve Buck.

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